



COMMONWEALTH of VIRGINIA

Department of Mental Health, Mental Retardation and Substance Abuse Services

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COMMISSIONER

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MEMORANDUM

TO: CSB Executive Directors
FROM: Joy Yeh, Ph.D., CFE, CPA,
Assistant Commissioner, Financial Administration
DATE: July 5, 2000
SUBJECT: Technical Bulletin 2000-01 (Model RFP for Audit Services)

Background: The attached Technical Bulletin 2000-01 has been prepared by the Office of Financial Reporting and Compliance. Technical Bulletins communicate important information to CSBs and may be incorporated into future updates of Financial Management Standards for CSBs. These bulletins will focus on the following areas:

- cost savings and revenue enhancing suggestions,
- Internal control and efficiency issues, and
- technical and tax issues.

Model This model was developed with input from various CSBs, accounting firms, and the DMHMRSAS Office of General Services (Purchasing). While we realize no model is perfect and individual CSBs have different needs, we hope this model serves to expedite the preparation and evaluation of RFPs for audit services.

The following documents are included with this model and in the order shown:

- Model Request for Proposals (RFP),
- Initial Proposal Evaluation Criteria,
- Interview Questions, and
- Criteria for Auditor Selection.

The Initial Proposal Evaluation Criteria, Interview Questions, and Criteria for Auditor Selection are for internal purposes **ONLY** and should not be mailed with the RFP. Please detach these documents prior to mailing the RFP to prospective CPA firms.

Availability This RFP can be viewed from the DMHMRSAS's website at www.dmhmrzas.state.va.us.

Suggestions We welcome any changes or suggestions that you have. Please direct any such changes or suggestions to Ken Gunn (Director, Office of Financial Reporting and Compliance) at (804) 786-1994 or e-mail kgunn@dmhmrsas.state.va.us.

JY/gaajr

cc: Richard E. Kellogg
Ken Gunn, Jr.

Paul Gilding
Anthony Gintout

Kendra McCarthy
Miguel Cassanovas

Attachment

MODEL REQUEST FOR PROPOSAL - AUDIT SERVICES

**(NAME OF CSB)
REQUEST FOR PROPOSALS**

Issue Date _____

The (Name of CSB) requests qualified independent certified public accountants to submit proposals to enter into a contract to perform financial audits for a period of three (3) consecutive years beginning with fiscal year ending June 30, 20__ and ending with fiscal year June 30, 20__. The statutory requirement for operating and administrative CSBs to receive an independent audit is found in § 37.1-195 (C) and (D) of the Code of Virginia (amended 1998).

Renewals: Two (2) one-year renewals, thereafter, if mutually agreed.

Sealed proposals will be received until _____ p.m. on _____ 20__.

An optional pre-proposal conference will be held on _____ at _____ o'clock at (LOCATION AND ADDRESS).

All inquiries for information should be directed to:

(NAME AND TITLE OF OFFICIAL) (ADDRESS) (TELEPHONE)

The proposal should be mailed or delivered directly to:

(STREET ADDRESS)
(BUILDING, FLOOR, OFFICE NUMBER)

Offer and Agreement

In compliance with this Request For Proposals and to all the conditions imposed herein, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Virginia Contractor License No. _____
Class: _____ Specialty Codes: _____

Name of Firm: _____
Address: _____

By: _____
Title: _____
Date: _____
Phone No.: _____

MODEL REQUEST FOR PROPOSAL - AUDIT SERVICES

(NAME OF COMMUNITY SERVICES BOARD)

I. PURPOSE:

The purpose and intent of this Request for Proposals (RFP) is to enter into a contract with a qualified independent certified public accountant (hereinafter called the "Auditor") to perform a financial audit for the Community Services Board (hereinafter called the CSB) for the fiscal year(s) ended June 30, 20__ through 20__. The statutory requirement for operating and administrative CSBs to receive an independent audit is found in § 37.1-195 (C) and (D) of the Code of Virginia (amended 1998).

Renewals: Two (2) one-year renewals, thereafter, if mutually agreed.

II. OPTIONAL PRE-BID/PRE-PROPOSAL CONFERENCE:

An optional pre-proposal conference will be held on _____ (time and date) at the (place)_____. The purpose of this conference is to allow potential offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation. While attendance at this conference will not be a prerequisite for offering a proposal, vendors are encouraged to attend. Any changes that may be made as a result of this conference will be noted in an addendum to the request for proposals.

III. SCOPE OF WORK TO BE PERFORMED

- A. Financial audit - The Independent Auditor shall audit all funds and account groups of the CSB in accordance with generally accepted auditing standards, standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, AICPA Audit and Accounting Guide Health Care Organizations, and the Specifications for Audits of Authorities, Boards and Commissions issued by the Auditor of Public Accounts, Commonwealth of Virginia. The audit shall result in the preparation of financial statements from the audited records of the CSB with the Auditors' opinion thereon -OR- the rendering of the Auditors' opinion on the financial statements prepared by the CSB. The Independent Auditor should note that the Governmental Health Care Provider Model should be adopted for fiscal year-end June 30, 2001 financial statements and thereafter. Guidance should be followed as contained in the AICPA Audit and Accounting Guide Health Care Organizations. The Auditors' opinion shall be expressed in the report and include his reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion.
- B. The Independent Auditor also shall express an opinion as to the fair presentation of the combining, individual fund and individual account group financial statements in accordance with generally accepted accounting principles. The Auditor is required to provide an "in-relation-to" report on the supporting schedules and statistical tables based upon his audit of the financial statements.
- C. The Auditor is not required to audit the schedule of expenditures of federal awards. However, the Auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.
- D. In connection with the audit of the financial statements, the Auditor shall perform tests of compliance in accordance with Government Auditing Standards; OMB Circular A-133, Audits of State and Local Governments; the Specifications for Audits of Authorities, Boards and Commissions; the AICPA Audit and Accounting Guide, Health Care Organizations; and other applicable standards.
- E. In connection with the audit of the financial statements, the Auditor shall perform tests of internal controls in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards; OMB Circular A-133, Audits of State and Local Governments; and the Specifications for Audits of Authorities, Boards and Commissions produced by the Auditor of Public Accounts of the Commonwealth of Virginia.
The tests of internal controls should also include controls as they relate to Client (Patient) Funds and the validation of such funds that should be reported in the financial statements. Client (Patient) Funds include social security payments, disability payments, etc. that are

made to the CSB on behalf of clients and/or patients.

- F. In connection with the audit of the financial statements, the Auditor shall also prepare and complete Form 990, Tax Return of Organization Exempt from Income Tax. The CSB will assume responsibility for forwarding the completed Form 990 to the Internal Revenue Service.
- G. Submission of reports - The firm shall provide the CSB with ____ copies of the financial statements and Auditor's report thereon and management letter including management responses no later than November 30, 20 __. (The due date for submitting audit reports based on state statute is October 1. However, the Auditor of Public Accounts has agreed not to penalize CSBs that submit audit reports by November 30). A copy of the financial report, including Auditor's reports on internal controls and compliance, must be submitted to the Auditor of Public Accounts no later than 90 days after the close of the fiscal year. In addition, a copy of the financial report, report on internal controls, and report on compliance must be submitted to each State agency that provided Federal funds to the CSB.
- H. State Requirements - The Auditor should provide the following information for use by State agencies. This information should be reported as supplemental information in the financial statements. The Auditor should refer to the latest CSB Audit Guide issued by DMHMRSAS in July 2000 for additional reporting requirements and disclosures. This guide can be found at the Department's web site at: www.dmhmrzas.state.va.us under the Office of Financial Reporting and Compliance.
- NOTE:** The Department of Mental Health, Mental Retardation and Substance Abuse Services will not participate in sharing the cost of any audit which does not comply.
- 1) Include in the audit report 1) a schedule (by disability and total) of the reconciliation of revenues and expenditures to the fourth quarter report and 2) a schedule (by disability and total) of the reconciliation of federal revenues and expenditures to the fourth quarter report.
 - 2) The Auditor should audit the Substance Abuse Prevention and Treatment Grant (both revenues and expenditures) for accounting accuracy and expenditure appropriateness as if the grant were a major program (Circular A-133) regardless of dollar amount received by CSB.
 - 3) Based on a sample, the Auditor shall determine the appropriateness of expenditures charged to Federal funds as guided by OMB Circular A-87.
 - 4) The Auditor shall disclose the local tax dollar funding received by the CSB specified by locality.
 - 5) The Auditor should disclose surety information (company, employees covered, and amount of coverage) per Code of Virginia, §2.1-526.9.
- I. The Auditor should submit a management letter including management's response with each audit. The letter should offer suggestions for improvement in financial management and internal controls.
- J. A copy of the audit contract and winning RFP should be filed with the Virginia Auditor of Public Accounts and the Virginia DMHMRSAS within 30 days after awarding the contract. The CSB is responsible for making these filings.
- K. As guided by AICPA Auditing Standards Board Statement on Auditing Standard No. 68, the Auditor should exercise due professional care in understanding the type of engagement and also requiring that if during the audit the auditor becomes aware that the CSB is subject to audit requirements which may not be encompassed in the terms of the engagement he or she should communicate to management and the audit committee or others with equivalent

authority and responsibility that the audit may not satisfy the requirements.

IV. **REPORTING REQUIREMENTS**

A. Required Reports

Based on the audit work performed, the Auditor must issue the following reports.

1. A report on the fair presentation of the financial statements financial statements in conformity with generally accepted accounting principles. (Financial statements should be issued based on those required by Section 1.05 of the AICPA Audit and Accounting Guide – Health Care Organizations).
2. A report on the internal control structure based on the Auditor's understanding of the control structure and assessment of control risk. The Auditor shall communicate all reportable conditions (as defined by the AICPA) found during the audit in the report on internal controls. Non-reportable conditions discovered by the Auditor shall be reported either in the report on internal controls or in a separate letter to management. If the non-reportable conditions are reported in a separate letter, the letter will be referred to in the report on internal controls and copied to the Office of Financial Review and Compliance, Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services.
3. A report on the internal control structure used in administering federal assistance programs. The Auditor shall communicate all weaknesses, which could have a material effect on a federal assistance program in the report on internal controls. Other conditions discovered by the Auditors shall be reported either in the report on internal controls or in a separate letter to management. If the non-reportable conditions are reported in a separate letter, the letter will be referred to in the report on internal controls and copied to the Office of Financial Review and Compliance, Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services.
4. A report on compliance based on the audit of the financial statements performed in accordance with Government Auditing Standards. The Auditor shall communicate all instances of non-compliance, which could have a material effect on the general-purpose financial statements in the report on compliance. (Financial statements should be issued based on those required by Section 1.05 of the AICPA Audit and Accounting Guide – Health Care Organizations).
5. A report on compliance with specific requirements applicable to major federal assistance programs. The Auditor shall communicate all instances of noncompliance with the specific requirements for major federal assistance programs in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.
6. A report on compliance with the general requirements applicable to federal assistance programs. This report should be prepared regardless of whether the CSB has major assistance programs. The Auditor shall communicate all instances of noncompliance with the general requirements in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the

Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.

7. A report on compliance with the requirements applicable to non-major federal assistance programs if transactions from non-major assistance programs were selected for testing during the audit. The

Auditor shall communicate all instances of noncompliance with the requirements governing non-major programs in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.

8. A report disclosing the status of findings and recommendations from previous audits that have remained uncorrected.

9. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the Chairman of the Community Services Board, the Executive Director of the Community Services Board, the Director of Finance of the local government serving as fiscal agent of the Board, and the Commissioner of the Department of Mental Health, Mental Retardation and Substance Abuse Services.

a. Draft Reports

The Auditor shall have drafts of the audit reports and recommendations to management available for review by the CSB Executive Director and Governing Board by _____, 20__.

b. Report Preparation

Report preparation, editing and printing shall be the responsibility of the Auditor.

NOTE: A description of the CSB background information is included in Appendix A.

The following entities are considered to be component units for inclusion in the CSB's financial statements. These component units are to be audited as a part of the audit of the CSB's financial statements:

(IF ANY OF THE COMPONENT UNITS MEET THE CRITERIA FOR INCLUSION BUT ARE TO BE SEPARATELY AUDITED BY ANOTHER Auditor, THE CSB SHOULD SO STATE.)

10. A report on the fair presentation of the Schedule of Expenditures of Federal Awards.

11. A Summary Statement of Financial Condition. Section 2.1-164 of the Code of Virginia requires the publication of a Summary Statement of Financial Condition. This summary should be published in a newspaper of general circulation in localities that the CSB serves at the time the audit report is issued. The Independent Auditor should prepare the Summary Statement of Financial Condition for publication. The CSB assumes responsibility for the publication. Refer to Number 13 below for additional guidance.

12. The Independent Auditor APA Form 110 – Joint Activity Element Form for submission to the APA by November 30 of each year. The form can be found on

the DMHMRSAS's web page. Refer to Number 13 below.

13. The Auditor should refer to the latest CSB Audit Guide issued by DMHMRSAS on (insert date) for additional reporting requirements and disclosures. This guide can be found on DMHMRSAS's web page at: www.dmhmrzas.state.va.us.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

A. Books of Account

The CSB represents that the books of account will be fully balanced, all subsidiary ledgers reconciled to control accounts, and all bank accounts for all months reconciled no later than _____ immediately following statement date.

B. Schedules

The staff of the CSB will prepare the following information on forms acceptable to the Auditor:

- 1) A final trial balance of each fund;
- 2) A final trial balance of each subsidiary ledger;
- 3) A schedule of federal program revenues, expenditures and beginning and ending balances by program;
- 4) A copy of the final budget presented to the board for the audit period, the original budget ordinance for the audit period, and all amendments to the budget ordinance;
- 5) A copy of all capital projects and all amendments thereto for all projects beginning during the period or not fully completed prior to the period;
- 6) A schedule of insurance in force during the year and of insurance expense for the year;
- 7) A schedule of investments of all funds at statement date showing both book value and estimated market value at statement date;
- 8) A schedule of all capital outlays during the period;
- 9) A schedule of all capital asset dispositions during the period;
- 10) A schedule of accounts payable at statement date;
- 11) Reconciliation of the final quarter's fringe benefit tax returns;
- 12) Copies of all contracts with governmental grantor or grantee agencies;
- 13) Copies of all other contracts in force at statement date of a material amount; and
- 14) Such reasonable additional schedules as may be requested for financial audits.

C. Other Assistance

The staff of the CSB and responsible management personnel will be available during the audit to assist the firm by providing information and explanation.

VI. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS:

1. RFP Response:

In order to be considered for selection, offerors must submit a complete response to this RFP. One original and five copies of each proposal must be submitted to the issuing CSB. No other distribution of the proposals shall be made by the offeror.

2. Proposal Preparation

- a. Proposals shall be signed by an authorized representative of the offeror. By signing this bid proposal, the offeror certifies that it will remain in full compliance with:

- the Federal Civil Rights Act of 1964, as amended.

- the Federal Immigration Reform and Control Act of 1986.
 - the Virginia Fair Employment Act of 1975, as amended, where applicable.
 - the Virginia Conflict of Interest Act.
 - the Virginians With Disabilities Act.
 - the Americans With Disabilities Act.
 - Section 11-51 (Employment Discrimination Act) of the Virginia Public Procurement Act.
 - Section 11-77 and 11-78 (Ethics in Public Contracting) of the Virginia Public Procurement Act.
 - The Antitrust laws of the United States and the Commonwealth of Virginia.
- b. All information requested must be submitted. Failure to submit all information requested may result in the purchasing agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals that are substantially incomplete or lack key information may be rejected by the purchasing agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- c. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
- d. Each copy of the proposals should be bound in a single volume where practical. All documentation submitted with the proposal should be bound in that single volume. The proposal package should be clearly marked as:
- "Proposals – Audit Services".**
- e. Ownership of all data, materials and documentation originated and prepared for the CSB pursuant to the RFP shall belong exclusively to the CSB and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protections of Section 11-52 of the Virginia Public Procurement Act prior to or upon submission of the data or other materials, and must identify the data or other materials to be protected and state the reasons why protection is necessary.

3. Oral Presentation:

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the CSB. This will provide an opportunity for the offeror to clarify or elaborate on the proposal but will in no way change the original proposal. The CSB will schedule the time and location of these presentations. Oral presentations are an option of the purchasing agency and may not be conducted; therefore, proposals should be complete.

B. **SPECIFIC REQUIREMENTS:**

Proposals should be as thorough and detailed as possible so that CSB may properly evaluate your capabilities to provide the required services. Offerors are required to submit the following items as a complete proposal:

1. Title Page
Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of contact person, and date.
2. Table of Contents
3. Letter of Transmittal:

- History of the firm, including number of years in business, and size of firm.
- A statement by the prospective Auditor of his understanding of the work to be done, including specific reference to the provisions in the Scope section of this RFP, with descriptions of the audit approach and illustrations of the procedures to be employed.
- The approximate date the audit will begin (including preliminary fieldwork) and end, as well as approximate dates for delivery of the financial statements and/or Auditor's reports.
- Biographies including experience, education, professional designation, and professional affiliations of the individuals who will be assigned to the engagement. Also include relevant experience of each in auditing community services boards, municipalities, Federal funds, and recent continuing professional education of each.
- Names, addresses, and telephone numbers of persons who may be contacted for reference.
- A copy of the firm's most recent peer review.
- A statement by the prospective Auditor that:
 - (1) The firm is independent of the _____ (CSB) as that term is defined the Ethical Rules of the AICPA.
 - (2) The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia.
 - (3) The firm has met the peer review standards of the AICPA and Government Auditing Standards.
 - (4) The firm will provide adequate supervision on a day-to-day basis and that the resulting work papers shall be adequate and shall be available for routine review by appropriate Auditors of the Federal and State governments.
 - (5) Staff assigned to the audit have met the continuing education requirement required by the Government Auditing Standards issued by the Comptroller General of the United States.

4. Meetings

Conferences between the Auditor, CSB employees and/or representatives of the CSB should be scheduled by the selected Auditor before the preliminary work and at the end of the fieldwork. The purpose of the meetings is to keep the CSB fully informed on the scope and progress of the audit. A draft of the final report shall be furnished to representatives of the CSB for its comments by _____ (Date).

VII. FEES

Fees for services will be negotiated in accordance with Section 11-37 "Competitive Negotiation" 3-a Code of Virginia (1950), as amended. The fee will be in the form of a fixed contract price. Fees for additional services must be mutually agreed upon by the Independent Auditor and the CSB.

VIII. EVALUATION AND AWARD CRITERIA:

A. EVALUATION CRITERIA

Selection criteria will include the following:

1. The skill, experience and training of the specified persons who will be performing the services requested.

2. The Auditor's understanding of the CSB's system of accounting obtained through prior experience or discussion with appropriate CSB officials.
3. The prior experience and reputation of the Auditor in auditing governmental units similar to the CSB.
4. Ability to complete the audit and submit the financial statements and Auditor's reports to the Department of Mental Health, Mental Retardation and Substance Abuse Services by the required deadline.

B. AWARD

The selection process will be in accordance with Section 11-37 "Competitive Negotiation" of the Code of Virginia. The CSB shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informed interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the audit. This Request for Proposals, is not, however, requesting that offerors furnish estimates of man-hours or cost for services. At the discussion stage, the CSB may discuss non-binding estimates of total costs. Proprietary information from competing offerors shall not be disclosed to the public or to competitors.

At the conclusion of the discussion, on the basis of the selection criteria listed in this Request for Proposals and all information developed in the selection process to this point, the CSB shall select in order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first.

If a contract satisfactory and advantageous to the CSB can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the CSB determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

IX. GENERAL TERMS AND CONDITIONS:

A. CSB's Procurement Policy:

This solicitation is subject to the provisions of the CSB's Procurement Policy Manual and any revisions, which are hereby incorporated into this contract in their entirety. A copy of the manual is available for review at the purchasing office.

B. Mandatory Use of CSB Form and Terms and Conditions:

Failure to submit a proposal on the official CSB form provided for that purpose may be a cause for rejection of the proposal. Return of the complete document is required. Modification of or additions to any portion of the solicitation may be cause for rejection of the proposal; however, the CSB reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.

C. Clarification of Terms:

If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the contract officer whose name appears on the face of the solicitation, no later than five days before the due date. Any

revisions to the solicitation will be made only by addendum issued by the contract officer.

D. **Payment Terms:**

Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. However, this shall not affect offers of discounts for payment in less than 30 days.

E. **Invoices:**

Invoices for services ordered, delivered and accepted shall be submitted by the contractor to the attention of "Fiscal Officer" and mailed to CSB address. All invoices shall show the contract number assigned to the contract by the purchasing agency.

F. **Default:**

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the CSB, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the CSB may have.

G. **Assignment of Contract:**

A contract shall not be assignable by the contractor in whole or in part without the written consent of the CSB.

H. **Antitrust:**

By entering into a contract, the offeror conveys, sells, assigns, and transfers to the CSB all rights, title and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the CSB under said contract.

I. **Anti-Discrimination:**

By submitting their proposals, all offerors certify to the CSB that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Act of 1975, as amended, where applicable, and Section 11-51 of the Virginia Public Procurement Act which provides:

In every contract over \$10,000 the provisions in 1 and 2 below apply:

1. During the performance of this contract, the contractor agrees as follows:

- The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
- Notices, advertisements and solicitations placed in accordance with

federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this Section.

2. The contractor will include the provisions of 1 above in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

J. **Debarment Status:**

By submitting their proposal, all offerors certify that they are not currently debarred from submitting proposals on contracts by any agency of the Commonwealth of Virginia, nor are they an agent of any person or entity that is currently debarred from submitting proposals on contracts by any agency of the Commonwealth of Virginia.

K. **Applicable Law and Courts:**

Any contract resulting from this solicitation shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The contractor shall comply with applicable federal, state and local laws and regulations.

L. **Qualifications of Offerors:**

The CSB may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the work and the offeror shall furnish to the CSB all such information and data for this purpose as may be requested. The CSB reserves the right to inspect offeror's physical facilities regarding the offeror's capabilities. The CSB further reserves the right to reject any proposal if the evidence submitted by or investigations of such offeror fails to satisfy the CSB that such offeror is properly qualified to carry out the obligations of the contract and to complete the work contemplated herein.

M. **Immigration Reform and Control Act of 1986:**

By submitting their proposals, the offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

N. **Subcontracts:**

No portion of the audit work shall be subcontracted without prior written consent of the CSB. The Auditor will remain fully liable and responsible for all work done by any subcontractor and assure compliance with all requirements of the contract.

O. **Ethics in Public Contracting:**

By submitting their proposals, all offerors certify that: (1) their proposals are made without collusion or fraud; (2) they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal; and (3) they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

X. **SPECIAL CONDITIONS:**

A. **OWNERSHIP OF MATERIAL:**

Ownership of all data, material, and documentation originated and prepared for the CSB pursuant to the RFP shall belong exclusively to the CSB and be subject to public

inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protection of this section prior to or upon submission of the data or other materials, and must identify the data or other materials to be protected and state the reasons why protection is necessary.

B. **INSURANCE**

1. By signing and submitting a proposal under this solicitation, the Bidder or offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the work commences. Additionally, it will maintain these during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

During the period of the Contract the CSB reserves the right to require the Contractor to furnish certificates of insurance for the coverages required by the CSB and Commonwealth as indicated.

2. **INSURANCE COVERAGES REQUIRED:**

Worker's Compensation-Standard Workers' Compensation Policy.

Broad Form Comprehensive General Liability--\$500,000 Combined Single Limit, with the Commonwealth of Virginia named as additional insured.

Automobile Liability--\$500,000 Combined Single Limit

NOTE: In addition to the above, various Professional Liability/Errors and Omissions coverages are required for those services indicated below.

The limits are to be:

<u>Profession/ Service</u>	<u>Limits</u>
Accounting	\$1,000,000 per occurrence, \$5,000,000 aggregate

3. The Auditor's signature on this solicitation constitutes certification that if awarded the contract, he shall obtain the necessary coverage as specified within 10 days of notification of award of the contract.

C. **PROPOSAL ACCEPTANCE PERIOD:**

This proposal shall be binding upon the offer for 60 calendar days following the proposal opening date. Any bid or proposal on which the offeror shortens the acceptance period may be rejected.

D. **WORK PAPERS:**

The Auditor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment. The CSB, its authorized agents, and/or State Auditors shall have full access to and the right to examine any of said materials during said period.

E. **CANCELLATION OF CONTRACT:**

The Community Services Board reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty upon 60 days written notice to the Contractor. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effect.

F. **AVAILABILITY OF FUNDS:**

It is understood and agreed between the parties herein that the CSB shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

G. **EXTENSION OF CONTRACT:**

This contract may be extended by the CSB upon written agreement of both parties for one year)/(____ successive one year periods), under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration.

H. **CHANGES TO THE CONTRACT:** The CSB may order changes within the general scope of the contract at any time by written notice to the Auditor. The Auditor shall be compensated for any additional costs incurred as the result of such order and shall give the CSB a credit for any savings. Said compensation shall be determined by mutual agreement between the parties in writing.

XI. **METHOD OF PAYMENT:**

Interim billings shall not exceed 80% of the total fee. Final payment will be made upon approval of the report by the Audit or Finance Committee of the Board.

INITIAL PROPOSAL EVALUATION CRITERIA

Instructions: Each proposal received should be evaluated based on the following criteria. Proposals received after the deadline will not be opened. The CSB reserves the right to return unopened proposals to the offeror or to properly discard. Proposals opened and subjected to the criteria below shall belong exclusively to the [insert name of CSB]. These proposals and supporting documentation for evaluating such proposals will be maintained by the [insert name of CSB] based on the [insert name of CSB] retention policy.

Offeror's Name:			
Address:			
Contact Person:			
Telephone No.:			
Date Recd.			
Evaluated By:			

NO.	EVALUATION CRITERIA	YES	NO
1	Was the proposal received by the deadline?		
	Comments:		
2	Was the proposal delivered to the correct address?		
	Comments:		
3	Was the proposal signed by an authorized representative and dated?		
	Comments:		
4	Did the offeror submit one original and five copies of the proposal?		
	Comments:		
5	Did the proposal present all information as requested per below:		
	A. Title Page showing RFP subject, name of proposer's firm, local address, telephone number, name of contact, and date?		
	B. Table of Contents?		
	Comments:		

6	Did the Letter of Transmittal include the following:		
	A. History of firm, number of years in business and size of firm?		
	B. Statement by prospective auditor of his/her understanding of the work to be performed?		
	C. Reference to provisions in the Scope Section of the RFP?		
	D. A description of the audit approach and illustrations of the procedures to be employed?		
	E. Approximate date the audit will begin including preliminary fieldwork?		
	F. Approximate dates for delivery of the financial statements and/or auditor's reports?		
	G. Biographies including experience, education, professional designation, and professional affiliations of the individuals who will be assigned to the engagement?		
	H. Names, addresses, and telephone numbers of contact persons?		
	I. A copy of the firm's most recent peer review?		
	Overall Comments:		

INTERVIEW QUESTIONS

Name of Firm:	
Name of Rater:	
1. What qualifications do you have that make you uniquely appropriate to this job?	
2. Explain/describe your work experience with other governmental jobs that you have performed. How recent?	
3. Will you have sufficient staff available during July to September to perform this job and complete by schedule deadline? Who will be the principal staff assigned to this engagement?	
4. What is the largest budget/set of books which you have audited? Length of time to complete?	
5. Would you or your staff assigned to this job have sufficient continuing education hours as required for auditing federal funds?	

6. What assistance or preparation do you need from us:
7. How soon can you get started?
8. Can you give an estimate of how you would price this audit? Can you also give us a estimated range of the audit fee for this engagement?
9. Why do you think your firm deserves this engagement?
10. Is there anything you would like to add or want from us?

CRITERIA FOR AUDITOR SELECTION

Name of Firm:	
Name of Rater:	

Instructions: This form should be completed for each firm that is interviewed to provide audit services per the REQUEST FOR PROPOSALS. The rater should assign a score for each criterion listed below. The raw score should range from 1 (lowest) to 10 (highest). The raw score should be multiplied by the weighted percent to obtain the net score. Consideration should be given to the firm that obtains the highest TOTAL NET SCORE. ALL documentation should be maintained based on the CSBs retention policy.

RAW SCORE 1 (LOWEST) – 10 (HIGHEST)

RAW SCORE	% WGT	NET SCORE	CRITERIA
	25%		1. Skill, experience and training of the individuals who will be performing the services
	20%		2. Auditor's understanding of the CSB's system of accounting obtained through prior experience or discussion with appropriate CSB staff
	20%		3. Prior experience and reputation of the auditor in auditing government units similar to CSB
	15%		4. Ability to complete the audit and submit the financial statements to the DMHMRSAS by the required deadline
	10%		5. Size of budgets for other audits performed comparable to the CSB's

			budget
	5%		6. Recent experience relevant to CSB's level of work expected
	5%		7. Professional appearance and courteous staff.
<u>TOTAL RAW SCORE</u>	<u>TOTAL WGT %</u> 100%	<u>TOTAL NET SCORE</u>	

Other options to be considered:

1. Criteria met in RFP (refer to PROPOSAL EVALUATION CRITERIA)
2. References

COMMENTS:
